

OUTGOING TELEGRAM Department of State

05717 SIDD

INDICATE: COLLECT
 CHARGE TO

17

UNCLASSIFIED

NIC

OCR/DOD

RF

57

Origin
ARA

ACTION: AmEmbassy BUENOS AIRES 469 PRIORITY

Nov 13 4:47 PM '63

LNM

SS

G

SP

L

H

CAP

E

IGA

AID

P

USIA

INR

RMR

Senate debate continues on AID authorization bill which

expected come to vote by end week. Senate has reduced to \$3.742

billion the \$4.2 billion approved by Foreign Relations Committee.

House bill fixed level at \$3.5 billion. Proposed Hickenlooper

Afex Amendment modification has not yet been debated on Senate

floor.

ONE

ORR

BR

OCIP/PA

OGC

Press and members Senate increasing focus on prospective Argentine action on oil contracts. November 13 New York Times article datelined Washington states that while administration officials apprehensive about restrictions on Executive in use foreign aid funds, they appeared more concerned "about temper Senate as brought out in debate on Alliance for Progress, particularly in regard Brazil and Argentina". Article reports floor statement by Senator M Morse alluding to "latest reports from Brazil and Argentin Argentina" and assailing both countries for having failed, despite their Punta del Este pledges, to submit

3 CA

4CA/0

3 WH

27/D

plans

DRAFTED BY

ARA/EST/A: CAC/Recreau: lc 11/13/63

Telegraphic transmission and
classification approved by:

EST - Mr. Marglies

CLEARANCES

EST - Mr. Lancaster PER 016

H-Mr. Wexler

AID/LA - Mr. Linstad (DRAFT)

REPRODUCTION FROM THIS COPY IS
PROHIBITED UNLESS "OFFICIAL USE
ONLY OR UNCLASSIFIED"

Page 2 of telegram to AmEmbassy BUENOS AIRES

UNCLASSIFIED

plans of integrated national development to Alliance governing body.

Washington Post editorial November 11 directs attention ~~to~~ at Argentine oil contracts situation concluding more at stake than their profits and investment, identifying real issue as that of finding modus vivendi satisfying ~~Axgenink~~ Argentina's economic needs with as little damage to Alliance and international investment as ~~possible~~ possible. Post continues in November 13 editorial that with evidence emerging from Sao Paulo meeting that Alliance in deep trouble, it "sad that President of Argentina feels he must make ~~foreign~~ foreign oil holdings an ~~exacerbating~~ exacerbating issue".

New York Times editorial November 13 asserts cracks appearing in Alliance, stating that although both Argentina and Brazil showing lowest rate growth in South America, now appear ~~to~~ be making Alliance scapegoat for own failures. Editorial says although ~~akkakxx~~ on Yankee imperialism and Alliance nothing new, Brazil and Argentina exceeding usual bounds demagogic since, although speaking "boldly about going it alone, they are evidently hoping that threat of inflow new foreign capital from Western Europe or Soviet Union will force Washington ~~to~~ continue provide funds for development". Times points out that while GOA has right renegotiate or renounce contracts, it cannot expect attract compensation investment if it refuses reasonable ~~compensation~~. Concludes it would be

Page 3 of telegram to AmEmbassy BUENOS AIRES

UNCLASSIFIED

be mistake cajole Latin America into maintaining Alliance by yielding
to Argentina or Brazil, but that withdrawal aid would provide little
gain and that both Brazil and Argentina may yet recognize danger
cracking Axkkianku Alliance by considered ~~xxxxxx~~ assessment their
own true national interests.

Evening Star also has critical editorial this subject on 13th
and we expect continuingg and increasing public concern over Argentine
actions on oil.

End.

RUSK